

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Moore

DATE: 11-5-75

FROM :

[Redacted]

SUBJECT: DIRECTOR'S ADDRESS
ANNUAL CONVENTION OF THE
SOCIETY OF FORMER SPECIAL
AGENTS OF THE FBI
HOUSTON, TEXAS
NOVEMBER 8, 1975

Director's Speech

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir.:
Admin. _____
Comp. Syst. _____
Ext. Aff. _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
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Laboratory _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Legal Coun. _____
Telephone Rm. _____
Director Sec'y _____

Attached is a suggested outline of remarks for Director Kelley's appearance November 8th before captioned group. Mr. Kelley indicated he desired only an outline for this "State of the Bureau" speech, stressing new programs and achievements. Preparation of the outline was coordinated with Office of Planning and Evaluation, and Administrative Division provided substantial material.

The outline has been reviewed by Legal Counsel, General Investigative, Special Investigative and Intelligence Divisions.

RECOMMENDATION:

That the attached outline be furnished to Director Kelley for his consideration.

EX-115

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Enclosure

ENCLOSURE

- 1 - Mr. Callahan - Enclosure
- 1 - Mr. Moore - Enclosure
- 1 - Mr. Hoxie - Enclosure

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STATE OF THE BUREAU

I. Opening remarks.

- A. Former Agents are a group whose continued support and trust my FBI associates and I value most highly.
- B. Want to assure you that the FBI today remains a magnificent investigative organization, committed to excellence as well as to the principles of Fidelity, Bravery and Integrity.

II. A few comments about the basic thrust of my stewardship of the FBI.

- A. My primary objective is to keep the FBI viable, robust, and moving forward despite adversities. We must continue to improve and refine our administrative and investigative operations.

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We must avoid assuming a defensive posture if we are to do this. That perhaps is our toughest problem because of unprecedented scrutiny and criticism of the intelligence community.

- B. I don't feel we can be robust, viable and progressive if I hammer everyone on the head who disagrees with me.
- C. My concept of participatory management provides for free and frank discussion of policy matters. Bureau executives at Headquarters and in the field, I believe, should be given freedom to think creatively and room to exercise initiative. And I think a comfortable atmosphere of mutual respect between them and the Director is conducive to this. This atmosphere exists.
- D. On policy matters, after all the opinions have been stated, after all the pros and cons have been discussed, I, as Director, still make the final decisions.
- E. I haven't found it necessary to keep reminding everyone of my authority.
- F. The FBI's chain of command remains clearly defined and fully functional. And the officials in that chain of command have my complete confidence as men dedicated to the Bureau.
- G. A look at our record shows the FBI has progressed significantly while operating under overall concept of participatory management.

III. New administrative programs of the FBI and studies by our Office of Planning and Evaluation (OPE).

A. Career Development Program developed after extensive study by OPE.

1. Establishes clear career paths.
2. Field and Headquarters Career Boards assist in making selections to fill Headquarters and field supervisory and management vacancies.
3. Assessment Center established at the FBI Academy in Quantico. Uses methods utilized in private industry to assess and predict managerial potential. Relief supervisors and prospective relief supervisors assessed.
4. Career Development Program for nonsupervisory Agents. Study resulted in recommendations concerning assignments, including the "New York Plan," which provides for a maximum five-year tour of duty in the New York Office.

B. Survey regarding relationship between Field and Headquarters Investigative Supervision.

1. Extensive survey of Agent personnel at all levels was conducted to determine attitudes toward supervision.
2. Pilot program was begun in four field offices which resulted in elimination of the posting rule and the reporting of delinquency figures. A 60-day case file review program was established.

C. Roles and Responsibilities of SACs and ASACs.

1. As a result of study, authority was given for SACs to remove cases from their first-line supervision or at least to reduce the number of such cases.
2. Also, separate OPE studies are underway regarding transfer of field executives and reimbursing them for expenses associated with public relations.
3. Research is continuing to further define the roles of SACs and ASACs.

D. Performance ratings study.

This study, among other things, established the need for redesigning the performance rating forms to make the system more meaningful; to provide a more definitive screening device for use in recognizing, promoting and developing our Agent personnel.

E. Many other OPE studies completed or underway.

IV. New Investigative Approaches.

A. Quality over quantity concept (use of personnel).

Initiated pilot program in four field offices to determine what impact a concentration of the FBI's professional competency in the most significant criminal and security areas could produce on our investigative objectives.

1. Manpower resources were concentrated in key areas such as organized crime, white-collar crime and terrorist activities.
2. Results were gratifying. We plan throughout the field to try for early resolution of cases of marginal importance and to concentrate on major criminal and security problems.

B. White-collar crime program.

1. Program implemented since July, 1973, to attack growing problem of white-collar crime through intensified investigation, training, research, and public awareness.

We have a small business computer at Quantico to train Agents in computer-type crimes.

2. Results of our white-collar crime efforts excellent, resulting in 25% increase in convictions since Fiscal Year 1971. During Fiscal Year 1975, more than 3,400 convictions were recorded -- a 16.7% increase over the previous fiscal year.

C. Undercover Operations.

1. Represents an imaginative investigative approach to organized crime and major thefts.
2. Involves large outlays of "front money" and operating cash to facilitate penetration of the criminal community by Agents through gambling, for example, or through establishment of small business fronts.

D. We must fervently hope crippling legislative restrictions are not imposed upon us in the current atmosphere of distrust generated by the many issues raised in the public forum regarding activities of agencies charged with national security.

E. Your intimate knowledge of the FBI's workings places you in an excellent position to support us in these troubled times. You certainly know the vital nature of our national security mission.

VIII. Closing remarks.

A. I can accurately report that there is a more comfortable working atmosphere throughout the Bureau, an atmosphere I feel promotes initiative and aggressiveness and imaginative effort -- all of which contributes to the productiveness of the FBI..

B. About 12,000 young people have joined our ranks since May, 1972. Those that remain with us are characteristically aggressive and enthusiastic and well-motivated. This bodes well for the FBI's future.

C. Despite well-publicized adversities, the FBI remains a smoothly functioning and constantly improving investigative organization you can be proud of.

at the FBI Academy. Agents are making periodic contacts with prison administrators to exchange information regarding incarcerated extremists, terrorists, revolutionaries and subversives. Also, we've provided training in this area to state and Federal prison personnel.

2. We've also held a national symposium dealing with the possibility of terrorist/extremist activities directed against events related to the Bicentennial Celebration or the 1976 Olympic Games in Montreal.
3. The FBI Police Bulletin now provides local police timely data on activities, tactics and trends in this field, including attacks on police.
4. We have had many successes in thwarting bombings, arsons through our domestic intelligence efforts.
5. Feel we would be greatly aided by legislative authority to use electronic installations in investigating violence-prone extremists.

G. Effectiveness of investigations.

1. We are taking a penetrating look at ways we may streamline our investigations and make them more productive.
2. Current studies include the team concept of investigating.

Atlanta and Philadelphia are serving as pilot offices in this study.

E. Computer Support in Investigations.

1. Used in certain major cases such as RESMURS.
2. Will probably be used even more in the future.

V. Crime Resistance Program.

- A. Initiated in July, 1975, as cooperative program of the FBI, Police Foundation, and police agencies in Norfolk, Virginia; Wilmington, Delaware; DeKalb County, Georgia; and Birmingham, Alabama.
- B. Has attracted widespread interest.
- C. Increasing public awareness of crime prevention through precautionary measures and personal involvement is an important element of the program.

VI. Investigative achievements.

- A. We've by no means lost sight of the fact that our primary mission is law enforcement and safeguarding the nation's security.

- B. [redacted] case.

Arrested for bank robbery [redacted] 1975, along with associates [redacted] and [redacted] [redacted], in San Francisco, after a prodigious and well-publicized nationwide investigation.

- C. Two persons arrested in August, 1975, in the kidnaping of [redacted]
[redacted] Seagram Company, Limited. Victim

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located unharmed and the \$2.3 million ransom recovered through joint investigation of the FBI and the New York Police Department. Agents drew a standing ovation in their appearance before the Federal Grand Jury to present this case.

D. We set a record in the 1975 fiscal year for convictions under the Bank Robbery and Incidental Crime Statute -- totaled 2,246.

E. You would have been proud, as I was, of the way Agents handled a major extortion case involving a group calling themselves the "Fighting American Indians." They demanded more than \$45 million from seven oil companies. Two persons were arrested September 27, 1975, and 13 explosive devices were located throughout the eastern United States (three after detonation).

F. Organized Crime achievements.

During the 1975 fiscal year, FBI investigations resulted in more than 1,400 convictions of hoodlum, gambling and vice figures. Among those convicted or incarcerated were top-ranking Syndicate figures in New York City, Detroit, St. Louis, Kansas City and Los Angeles.

G. A highly successful investigation in the white-collar crime area involved grain inspectors licensed by the U. S. Department of Agriculture. So far, there have been 66 indictments and 30 convictions in the New Orleans area

alone. These violations involved the shortloading of ships and the issuance of fraudulent certificates concerning the quality of grain and the cleanliness of ships.

H. Espionage Case: In June, 1975, Agents arrested a permanent resident alien from Lebanon living in New York City and a naturalized American citizen residing in Rockville, Maryland. The case involved the gathering and photographing of national defense information. The resident alien was sentenced last week to 22 years in prison after pleading guilty to conspiracy to commit espionage. The other subject awaits trial.

VII. Problems confronting the FBI.

- A. Unprecedented Congressional interest in the FBI, particularly in the area of intelligence and domestic security.
1. Ten Congressional committees currently conducting inquiries involving the FBI.
 2. I and other ranking Bureau officials have made a number of appearances before various committees.
 3. Considerable amount of research required to respond to queries by these committees, demanding personnel resources we could be using in fulfilling our law enforcement and security functions.

For example, from April through September, this year, we devoted 3,319 man days to gathering material for just the House and Senate Select Committees.

B. Some of our Agents have been called upon to testify regarding security-type activities. Some have even been made parties to civil suits. We have not abandoned them. The Department has agreed to provide counsel for them if they are subjected to legal action as a result of following instructions from superiors. In one instance, an Agent subpoenaed to testify before a Congressional committee hired his own lawyer; he was reimbursed by the Department.

C. Freedom of Information (FOI) and Privacy Acts.

1. FOI amendments and the Privacy Act of 1974 also have imposed a substantial drain on our manpower resources.
2. During the first ten months of 1975, the FBI received nearly 12,000 requests for access to FBI records under either the FOIA or the Privacy Act. By contrast, during all of 1974, 447 FOIA requests were received (prior to amendments).
3. Our daily average of requests since April, 1975, has been about 75 per work day.
4. Currently we have 163 employees handling these requests, including 23 Special Agents; and we anticipate a total complement of 202 employees, considering additional workload imposed by the Privacy Act.

3. Three recent undercover operations in New York resulted in the recovery of more than \$3 million worth of stolen property, the solution of four cases, the indictment of numerous hoodlums and the issuance of more than 100 subpoenas which are expected to lead to still more indictments.

D. Fugitive Alert Program.

1. Our Special Investigative Division initiated a program specifically designed to spotlight FBI fugitives who had been involved in killing or attempts to kill police officers.
2. Special circulars similar to our FUBANK notices are disseminated. We feel sure this program will help save police officers' lives.

E. False Identity Program.

1. Aimed at counteracting widespread use of false identification by subversive and criminal elements -- a serious investigative problem.
2. We've uncovered various techniques and criminal uses for phony identification, disseminated useful information to other law enforcement agencies.

F. Terrorist, Extremist Activity.

1. To attack the problem of revolutionary activity in prisons, we held a very productive national symposium